**Guiding principles:**

During the implementation of projects funded in the framework of Interreg V-A EMR, unforeseen situations may occur that will trigger the need for modifications to the approved application form, to the partnership or to any other official documents that have been signed by the LP on behalf of the consortium. The Programme bodies encourage consortia to keep changes to a minimum and apply them only in well justified cases. In this sense, a set of guidelines has been compiled at Programme level, allowing Lead Partners (LPs) to take the necessary steps when changes are required.

All changes requested will be judged on a case by case basis and recommendations will be made accordingly.

# Recommendations before submitting a change request

The start-up phase of the project demands a lot of energy from all parts (beneficiaries and Programme bodies). Therefore, the **Programme encourages the partnership not to introduce any change request during the first year of the project life-time, unless there are special situations that require this to happen.**

The first 6 months of project implementation are usually dedicated to administrative tasks: recruiting new team members, performing internal team meetings to have a better image of the task allocations, trainings on the eMS and reporting costs. It might happen that there are delays in the implementation of certain work packages in the first year, but these can be compensated by the partnership. These delays should not automatically trigger a need for a modification request from the partners. The partnership needs to demonstrate first that it has adopted sufficient mitigation measures to make up for the delays, before asking for a modification request.

In the 2nd half of the project’s implementation, as the end date is approaching much attention has to be paid towards monitoring the financial progress. This means that before asking for budget shifts (transfers between partners and shifts over the level allowed by the 20% flexibility rule) there need to be sufficient costs in the eMS to show a considerable budget consumption level on the part of the partners.

If unsure of whether there is a real need for a modification request, the Lead Partner is encouraged to first consult with the joint secretariat project manager and with its Regional Antenna.

The last request for a modification can be introduced to the JS/MA three months before the official end date of the project, at the latest.

# Possible project changes

Changes to the project can pertain to the partnership, budget, activities and duration or relate to administrative issues. Changes can be categorized in minor (small) or major (big) changes depending on their nature and scope.

Irrespective of the type of change requested by the consortium, the following steps need to be complied with:

1. The LP has to draft and send a modification request on behalf of the consortium.

*Minor/ administrative modifications* can be requested via a letter/e-mail sent by the LP towards the Joint Secretariat (JS) manager on behalf of the consortium, where the need for the change is clearly explained.

*Major change requests* are always studiously substantiated in the programme templates that must be filled in and sent by the LP to the JS.

1. **Once a modification request is approved, the** **JS will initiate the procedure for a modification request in the digital eMS platform**. The LP will receive an e-mail informing about the fact that access has been granted to amend the application form. From the moment the modification request is available in the eMS, the LP has **3 weeks** to finalize the modification request. Once given access, the LP should modify those sections affected by the change (e.g. descriptions in the respective fields for activities, partners, budget items, financing plans, etc.). The LP is the only one who can make adaptations to the application form in the eMS.

In line with the cooperation agreement signed between the LP and the PPs, the project members must always keep in touch and ensure that any modification request submitted for approval has been previously discussed and agreed by all the partners. It is the responsibility of the LP to ensure that it has the approval of the partnership when starting the procedure related to a modification request. Each partnership is free to set up their own internal rules regarding the way changes are requested inside the consortium. When addressing the Joint Secretariat (JS)/ Management Authority (MA)/ Monitoring Committee (MC), the LP will comply with the change request procedure established at Programme level.

After analysis, the changes will be validated or rejected by JS and the MA in case of minor changes.

In case of major changes, the MC will take the final decision for approving or rejecting the changes.

Lead partners are always notified in writing of approval or rejection of changes.

**EACH CHANGE SHOULD BE APPROVED BEFORE IT ENTERS INTO FORCE.** Failure to comply with these procedures is the sole responsibility of the LP/partner and may lead to the non-reimbursement of the expenses resulting from these changes.

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| **Minor Changes** |
| * Simplified approval process:   + LP on behalf of the consortium   + MA/JS * Types of Changes   + Prolongations of up to 6 months   + Changes in the financing plan – the funding sources for the budget – co-financers + ERDF+ other sources   + Changes in the co-financers   **\*Administrative changes – special category**   * Change of contact details (of LP, PPs) * Change of Legal Representative/Contact Person (of LP, PPs) * Change of bank account of the LP * Legal succession of the LP, or PP(s) * Change in the VAT status |

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| --- |
| **Major Changes** |
| * Complex approval process:   + MA/JS   + MC * Types of Changes   + Overspending exceeding the 20% flexibility rule   + Budget transfers between partners   + Prolongations of more than 6 months   + Changes in partnership   + Content of the project   **Requested max. 2 times during the project implementation** |

**Details**

1. **MINOR (small) changes are reported to and approved by the MA/JS**

What are minor changes?

* Prolongations of up to 6 months
* Changes in the financing plan – the funding sources for the budget – (e.g. increases or decreases of the contributions of the co-financers or the partner’s own means)
* Changes in the co-financers (always supported by official documents issued by the concerned co-financers)

Minor changes are changes that:

* Do not endanger the original activities of the project description approved by the MC
* Do not affect the project main and specific objectives, outputs and results
* Do not decrease target values of indicators
* Relate to administrative issues
* Remain within the ERDF financing ceiling of the project description approved by the MC
* Changes in **project duration of up to 6 months**

*Requests for the extension of a project cumulate over time. If a consortium requests a project prolongation by 4 months, this is considered as a minor change as it complies with the project duration threshold set for this category of changes. If a subsequent request for a project prolongation by 3 months is made, the second request will be treated as a major change. Considering that granting the second request will result in an overall prolongation of 7 months, the threshold for a minor change request is no longer complied with, thus leading to a major change.*

*For the current programming period the maximum date for the eligibility of costs in Interreg V-A EMR projects is 31st December 2023. This needs to be taken into account when asking for project prolongations over this date.*

* **Changes in the financing plan**
  + The budget of each partner in the eMS is made up of different sources, as seen in the section Project Budget/ Partner Budget/ Define Contribution; these different contributions make up the financing plan of each partner; examples of these different sources are: the ERDF, the co-financing received from the region(s), the own means provided by the partner, or any other sponsor, if this is the case
  + During project implementation, as a result of different budget shifts that may be performed by the partners, the financing plan also needs to be updated; the partners need to be aware of the impact budget shifts have on their financing plan
  + This type of change is usually associated with a major change that has been performed at project level
* **Changes in the co-financers**
  + As a result of changes in the partnership or budget shifts performed at project level, it may happen that there are changes as to the co-financers listed in the eMS; the partners concerned need to make sure they keep in touch with their Regional Antenna(s) on this issue and obtain the proper documents;
  + This type of change is usually associated with a major change that has been performed at project level

In case minor changes are approved by the MA/JS they are documented in an appendix issued by the MA that is added to the grand letter document.

A special category of changes is represented by those that have an administrative nature. As these have to be introduced in the eMS via a modification request, they also need to be approved by the JS/MA.

* **Examples of administrative changes**:
  + Change of contact details (of LP, PPs)
  + Change of Legal Representative/Contact Person (of LP, PPs)
  + Change of bank account of the LP
  + Legal succession of the LP, or PP(s)
  + Change in the VAT status

The Lead Partner is encouraged to inform the JS/MA as soon as these types of changes occur at the level of the partnership.

All project partners have the duty to inform the Lead Partner about such modifications that appear during project implementation.

1. **MAJOR (big) changes are approved by the MA/JS and the MC**

What are major changes?

* Changes in budget
  + Budget transfers between partners
  + Overspending exceeding the 20% flexibility rule set up at project level
* Changes in project duration of more than 6 months
* Changes in partnership (partners stepping out or new partners stepping in)
* Changes in content

Several examples of different types of major changes are presented below. This is a non-exhaustive list:

* Substantially affect the original activities of the project description approved by the MC or
* Do not remain within the ERDF financing ceiling of the project description approved by the MC or
* Have an impact on the percentage of ERDF financing or
* Lower the (overall) budget or
* Imply transferring ERDF funds between project partners or
* Affect the partnership structure: partners’ withdrawal, partners’ structure change, entry of new partner, etc.

In case major changes are approved by the MA/JS and MC they are documented by the MA in an appendix that is added to the grant letter document.

**Major changes can only be applied TWICE during the project** **implementation**

**What is the 20% flexibility rule?**

Detailed explanations on this are provided in the Guidance for applying the 20% flexibility rule (see Downloads/ Project implementation) and in the tutorial on the flexibility rule (see eMS resources) on the programme website.

Towards the end of the project, it is possible that at work package and/or budget line level, partners may want to declare costs that will exceed the 20% allowed for the global project budget. In these cases, such budget shifts transform into major changes and have to be treated as such.

This type of major change is linked to a high degree of budget consumption and is associated to the 2nd half of the project’s implementation.

**Attention points on changes!**

* Do not rush to introduce modification requests in the first year of the project implementation, unless there are specific cases that require this!
* Make sure that all project partners know how to monitor their budgets in the partner living tables!
* The LP is responsible for monitoring the project living tables and for keeping an eye on the 20% flexibility rule!
* Partners should keep to the budgeted amounts in the eMS as much as possible and not deviate from those, especially in the first year of the project implementation! If there are special cases that require such deviations, these will be communicated to the JS manager as soon as possible.
* Before adding a new partner to the project, perform an analysis on whether it is not better suited as an external expert, especially when the budget is really small. E.g: involving a new project partner for 20 months with a budget of EUR 30.000 vs. contracting that partner as an external expert via public procurement for a limited period of time.
* When asking for project prolongations be aware that the maximum date for the eligibility of costs in Interreg V-A EMR projects is **31st December 2023**. Costs incurred beyond that date will not be reimbursed from ERDF sources.
* Major changes can only be applied TWICE during the project implementation!
* The last chance of introducing a modification request is at the latest three months before the official end date of the project!

**How to submit a major change request?**

In case of a major change, the project shall fill-in one or more of the templates that are part of the package of documents needed for the modification. In total there are five templates:

* Template 1: Budget shifts
* Template 2: Excel file for the budget – there are 2 versions of this file, to be used depending on the amount for office and administrations defined in the AF:
  + Template 2A: Excel file for the budget – office & administration – 15%
  + Template 2B: Excel file for the budget – office & administration 16.5%
* Template 3: Change in partnership
* Template 4: Prolongation of duration by more than 6 months
* Template 5: Change in activities

Depending on the change requested, the partnership needs to choose the corresponding template(s). In the template, several questions are asked in order to ensure that the information expected at programme level is provided.

The projects are obliged to answer all questions and to ensure that those answers respond to the questions being asked. It is recommended that in case of major changes several requests that fit this category are grouped together; major changes can only be requested twice during the project lifetime.

After filling-in all requested fields in the template(s) these need to be sent to the JS project-manager, and stand-in.

In case of modifications that have an impact on the project budget (e.g. budget shifts, changes in partnership, changes in activities, etc.) these have to be accompanied by Template 2- Excel file for the budget.

If there are questions about the templates that you need to fill in, please consult with your JS project manager.